

NSC BRIEFING

1 May 1957

INDONESIA

- I. Indonesian Gov't, turning back on domestic dissidence, is busy readying Voroshilov (arriving 6 May with party of 60 for 19-day state visit).
 - A. Using own planes, V & Co. will tour Java, Bali & N. Sumatra, avoiding areas under dissident control.
 - B. V. has two major speeches scheduled: expected to offer share "last piece of bread", along '55 B. & K. Asim tour line.
- II. Big Voroshilov splash might cut Indonesian resistance to Sovs' \$100 million aid offer (signed Sep '56 but not yet submitted for parliamentary OK).
 - A. Sukarno and cabinet eager for such funds--needed to bolster economy, finance projects in disaffected provinces.
- III. Meanwhile, 27 Apr army conference proved jolt to Gov't.
 - A. Dissident Cols. Hussein (C. Sumatra) and Samual (East Indo) hinted readiness to "raise flag of revolution" unless Djakarta mends its ways.
 - B. Dissidents' key demands include abolition centralism; return of Hatta to authority; elimination "non-religious" parties from gov't.
 - C. Outlook is for continued deadlock, with chance of open conflict considerably increased.

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